

California Fair Political Practices Commission

Frequently Asked Questions: Campaign Activity

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The FAQs listed below are selected from questions people frequently ask the FPPC about campaign-related activity under the Political Reform Act (“Act”). All efforts have been made to provide helpful, easy to understand, answers to common questions. Please note that this fact sheet cannot address all of the unique variables and circumstances related to campaign activity. For more information, see the FPPC’s campaign disclosure manuals or contact the FPPC with specific questions.

Getting Started Questions

1. Q. When must a committee file a Statement of Organization (Form 410) with the Secretary of State’s office?
 - A. The Form 410 is required to be filed within 10 days of raising \$1,000 or more, which is the threshold for qualifying as a committee.
2. Q. Is it possible for a committee to receive a committee ID number prior to meeting the \$1,000 threshold?
 - A. Yes. The Secretary of State will issue a committee ID number upon receipt of the Form 410, even if \$1,000 or more has not yet been raised. The “Not Yet Qualified” box should be marked and once the \$1,000 threshold is met, an amendment must be filed within 10 days to report the date the committee qualified.
3. Q. Is there a fee to register as a committee?
 - A. Yes. Committees are required to pay a \$50 fee to the Secretary of State within 15 days of filing the Form 410. In addition, a \$50 fee is required to be paid to the Secretary of State by January 15 of each year until the committee terminates.
4. Q. Who must be identified on the Form 410?
 - A. The name and contact information of the treasurer and principal officers, if any, must be provided, in addition to any candidate controlling the committee. If the committee will have an assistant treasurer, his or her contact information must be also included.
5. Q. Are there any specific accounting qualifications for someone to serve as a committee’s treasurer?

- A. No. However, no individual should accept the position as a mere figurehead. To adequately perform the duties, the treasurer must have a basic understanding of the campaign finance laws and the responsibilities of a committee treasurer.
6. Q. May a candidate serve as his or her committee's treasurer?
- A. Yes.
7. Q. Who is considered the principal officer for a non-candidate controlled committee?
- A. The principal officer(s) is the individual or individuals responsible for approving the political activities of a committee, including: 1) authorizing the content of committee communications; 2) authorizing the committee's expenditures; and, 3) Determining the committee's campaign strategy. The principal officer must ensure that accurate records are maintained and may be held liable for violations. A committee may have several principal officers. If there are more than three individuals serving as principal officers, only three must be identified on the Form 410. If no individual other than the treasurer is a principal officer, the treasurer must be identified as both the treasurer and the principal officer.
8. Q. After filing a Form 410, what is the next form required to be filed?
- A. Typically the Form 497 (24-Hour Contribution Report) is the next required form. In fact, the Form 497 may be required to be filed *before* the Form 410 is required if the committee qualifies within the 90 days before an election. In the 90 days before the election, a committee must file a Form 497 within 24 hours each time it receives contributions that total in the aggregate \$1,000 or more from a single source.
9. Q. What are the requirements for naming a candidate's committee or a committee primarily formed to support or oppose a ballot measure?
- A. For a candidate's campaign committee, the name must include the candidate's last name, office sought, and year of the election. For example, "Wallace for Supervisor 2014" or "Re-Elect Rosa in 2014 for Water Board" would meet the naming requirements.

For a primarily formed ballot measure committee, the name must include:

- The measure's designation (e.g., Proposition 124; Measure BB);
- The committee's position (support or oppose) on the measure;
- If sponsored, the name(s) of the sponsor(s);
- If the committee has received \$50,000 or more cumulatively from a major donor, a name or phrase that identifies the economic or other special interest of the major donor;
- If the committee has received \$50,000 or more from major donors with a common employer, the name of the employer of the major donors;
- If the committee has received \$50,000 or more from a major donor who is a candidate or a candidate's controlled committee, the name of the candidate or the candidate's controlled committee.

For a comprehensive list of all committee naming requirements, see the Form 410 instructions.

10. Q. May a committee use an electronic recordkeeping system or are records required to be kept on paper?
- A. Electronic records are permitted so long as all of the required information is collected and recorded in a timely and uniform manner that ensures the information is accurate and reliable. Committees are responsible for ensuring that electronic records can be read and/or printed for auditing purposes during the required retention period – four years from the date the campaign statement was filed.
11. Q. Is a committee required to have a tax ID number?
- A. The FPPC does not require a tax ID number; however, some banks may require one in order to open a campaign bank account. A tax ID number may be requested through the Internal Revenue Service website, <http://www.irs.gov>

Ballot Measure Committee Questions

12. Q. A group has raised \$1,000 to circulate petitions for a ballot measure. When does the group trigger reporting obligations?
- A. Reporting obligations begin when proponents start gathering signatures (initiative) or when a legislative body acts to place the proposal on the ballot (referendum). Certain contributions received and expenditures made are required to be disclosed even if they were received or made before the proposal became a measure. (See Campaign Disclosure Manual 3 for details.)
13. Q. May a candidate control a ballot measure committee? If so, is the candidate required to file a Form 501 (Candidate Intention Statement)?
- A. Yes, a candidate may control a ballot measure committee so long as the committee's funds are not used to support the candidate's election or to support or oppose other candidates. The candidate's last name must be included in the committee name and the Form 410 requires specified information to be disclosed related to the measure or measures for which the committee is formed. A Form 501 is not required.
14. Q. Are there any special reporting requirements for ballot measure committees controlled by a candidate?
- A. Ballot measure committees controlled by a **state** officeholder (e.g., Governor, legislator) or a candidate for elective **state** office have additional disclosure requirements when reporting expenditures. For each expenditure of \$100 or more, the committee must identify the measure or potential measure associated with the expenditure. For example, a payment to a campaign consultant for research or polling on a specific measure in a local jurisdiction could state: Research/polling for Measure B, City of Sacramento. A committee's expenditures for operating costs, administrative overhead, fundraising, travel, compliance costs and attorney fees do not require the itemization if the payment cannot be attributed to a specific measure or potential measure.

15. Q. During the 90 days before an election, a primarily formed ballot measure committee for Measure A made a \$10,000 contribution to another primarily formed ballot measure committee for Measure A. Does this contribution trigger the filing of a 24-hour Contribution Report (Form 497)?
- A. Yes, both committees are required to file a Form 497, even if they are both formed to support the same ballot measure.
16. Q. During the 90 days before an election, supporters of a ballot measure, in coordination with the primarily formed ballot measure committee, will be paying for phone banks. The payments will be considered nonmonetary contributions to the primarily formed ballot measure committee. Rather than file several reports, may the committee file one Form 497 estimating the value of all nonmonetary contributions anticipated to be received from this source during the 90-day period?
- A. Yes. The committee may make a good faith estimate of the value that will be contributed during the period. The Form 497 must be filed within 48 hours of receiving the initial \$1,000 in nonmonetary contributions. If the actual value differs from the estimated amount by 20 percent or more, an amendment must be filed within 24 hours of determining the correct amount.

Fundraising Questions

17. Q. If a committee receives two monetary contributions of \$99 from one contributor, must the contributor be itemized?
- A. Yes. When a person's contributions, including monetary, non-monetary, and loans, aggregate to \$100 or more in a calendar year, the contributor must be itemized on the Form 460, Schedule A.
18. Q. A committee is hosting a dinner fundraiser. The committee is charging \$100 per person, but the actual cost of the event to the committee will be \$25 per person. When a person purchases a ticket to attend, what amount is considered as the contribution received?
- A. \$100. The entire cost of the ticket for the fundraiser is the amount of the contribution – the actual costs to the committee are not subtracted from the ticket price.
19. Q. A committee is going to charge \$50 per person at their next fundraiser. May an attendee pay with a \$100 bill?
- A. No. Even if change is immediately provided, a committee may not accept \$100 or more in cash from a single source. The payment must be made by personal check, debit card, or credit card.
20. Q. Is volunteer work provided by some people considered a nonmonetary contribution because of the volunteer's profession, such as free legal advice provided by a lawyer or bookkeeping done by a CPA?
- A. No. Volunteer personal services, regardless of the profession of the individual, are not reportable, so long as the individual providing the services is not paid by a third party.
21. Q. An individual is hosting a fundraising event in her home for a friend who is running for city council. She will spend \$425 to provide tea, coffee, wine, cheese, and fruit. Is the amount she pays for the event considered a nonmonetary contribution to the candidate?

- A. No. So long as she does not spend \$500 or more, the event meets the home/office fundraiser exception.
- 22. Q. May a private service, such as PayPal, be used to collect contributions electronically?
 - A. Yes, so long as the service is able to provide all the information needed to meet the recordkeeping requirements, such as the name, address, occupation, and employer of individual contributors of \$100 or more. Even if the company deducts a fee from the amount of the contribution, the entire amount of the contribution must be disclosed. The fees charged by the private service are reported as expenditures.
- 23. Q. If a committee receives a contribution of \$100 from an individual, but the individual did not provide the required occupation and employer information, what should the committee do?
 - A. The individual contributor should be contacted to obtain the occupation and employer information. If the committee is required to report the contribution before the information is received, the committee should indicate on its campaign statement that the information has been requested and the statement will be amended when the information is received. However, if an individual's occupation and employer information is not received within 60 days of receiving the contribution, the contribution must be returned.
- 24. Q. If a committee receives a \$5,000 contribution from an individual or entity, are there any special noticing requirements?
 - A. Yes. Within two weeks of receipt, the committee must notify the contributor in writing that he or she may need to file a major donor report. (Language for the notice is found in the [campaign disclosure manuals](#).) An individual or entity qualifies as a major donor if contributions totaling \$10,000 or more are made in a calendar year to California (state and local) candidates and committees.

Expenditures Questions

- 25. Q. How does a committee report printing expenses of \$500 or more paid for with the committee's credit card?
 - A. The name and address of the credit card company and the amount paid must be listed on Schedule E or F of the Form 460, and the printing vendor's name and address must be listed underneath with the amount paid to that vendor. Another example of "subvendor" reporting is when a campaign consultant purchases television advertisements, the names of the stations that air the advertisements must be listed. The campaign disclosure manuals contain examples of how to report subvendors on the Form 460.
- 26. Q. Is it permissible for a committee to have an agreement with an independent contractor (e.g., committee fundraiser) to pay additional money if fundraising goals are surpassed?
 - A. Yes, under the Act, a contingency agreement may be made, such as a committee paying a bonus to a contractor if fundraising goals are met or a committee not paying a contractor unless a particular outcome is achieved. The arrangement should be made as part of a written contract.

27. Q. Is it permissible to purchase gifts using campaign funds?

- A. Campaign funds may be used to purchase a gift only if the payment is *directly related* to a political, legislative, or governmental purpose. Detailed information on the permissible use of campaign funds may be found in the [campaign disclosure manuals](#). In addition, there are special reporting rules for candidate controlled committees when reporting expenditures for gifts, meals, and travel. (See Question #47 below.)

Communications Questions

28. Q. What are the disclosure requirements for a mass mailing?

- A. If a committee sends a mass mailing (more than 200 pieces of the same or similar mail in a calendar month), the words “paid for by” and the name and address of the committee paying for the mailing must appear on the outside of the mailing and on at least one insert in no less than six-point type and in a color that contrasts with the background. The committee ID number is not required to be included, but the FPPC recommends that committees include the committee ID number on all public campaign materials.

29. Q. What information must be included on a mass mailing if it is paid for by an independent expenditure to support or oppose a candidate?

- A. In addition to the information required above (see #28), the mailing must include a disclosure statement that the mailing was not authorized by a candidate or a committee controlled by a candidate.

30. Q. Are emails sent by a candidate’s committee required to include an advertisement disclaimer statement?

- A. Yes. Mass mailings, including emails, must include a “paid for by” disclaimer, e.g., “Paid for by Candidate Jones.”

31. Q. How does a committee report payments made to a person to provide favorable or unfavorable content on an Internet site about a candidate or ballot measure?

- A. For each payment of \$100 or more, use the code “WEB” and report the amount of the payment, the payee, the name of the individual providing content, and the website name or URL on which the communication is published in the first instance.

32. Q. Does a candidate or committee incur reporting obligations if an unpaid blogger or other individual endorses his or her candidacy in their Internet communications?

- A. No. Uncompensated Internet activity, including blogging, social networking, sending or forwarding an email, or providing a link to a website, is not regulated by the FPPC.

33. Q. Does the FPPC have a summary of the requirements for disclaimers on advertisements?

- A. Yes, a summary of the requirements, as well as charts for each type of committee are available [here](#).

24-Hour Contribution (Form 497) Report Questions

Note: Effective January 1, 2013, the requirement for committees to file 24-hour contribution reports (Form 497) was extended from 16 days before an election to 90 days before an election.

34. Q. If a contribution of \$1,000 or more is made to one of a candidate's campaign committees (i.e., legal defense, ballot measure, past election), but not to the committee that is formed for the election triggering the 90-day reporting, are the candidate and/or the donor required to file a Form 497?
- A. Yes. When a candidate is in a 90-day reporting period, each contribution of \$1,000 or more to any of his or her committees requires the Form 497 to be filed by both the candidate and the donor.
35. Q. During the 90-day reporting period, must a candidate file a Form 497 if a contribution of \$500 is received by one of the candidate's campaign committees (i.e., legal defense, ballot measure, past election) and another contribution of \$500 from the same donor is received by the committee that is formed for the election triggering 90-day reporting?
- A. No. Because a single committee did not receive \$1,000 or more, the candidate is not required to file a Form 497. The donor is also not required to file a Form 497 as the donor did not make a contribution of \$1,000 or more to a single committee.
36. Q. A candidate received \$500 from a donor for the special primary election a few days before the election, and another \$500 from the same donor a few days after the primary election when the candidate moved to the special general election. Both contributions were received during the 90 days before the general election. Is a Form 497 required to be filed by the donor and/or the candidate?
- A. No. Because \$1,000 or more was not received in connection with one election, the Form 497 is not required to be filed.
37. Q. A political party must report contributions 90 days before a state election. How does a party determine its reporting obligations?
- A. A political party and a donor to a political party must report each contribution of \$1,000 or more during the 90-day period before any state election. For example, in 2013 there are four state special elections prior to July 31. Due to overlapping 90-day periods, each contribution of \$1,000 or more received from January 1, 2013 through July 30, 2013 triggers a Form 497.

Enforcement Question

38. Q. If a campaign statement is filed late, what are the potential consequences?
- A. The filing officer with whom the statement is required to be filed may assess a fine of up to \$10 for each day that the statement is late (or up to \$20 per day for a statement and a copy). In addition, filing officers are required by law to refer non-filers to an enforcement authority. If a matter is referred to the FPPC's Enforcement Division for failure to file, the fine may increase up to a maximum of \$5,000 per violation. In 2013, over 60 committees were fined by the FPPC for failing to timely file campaign statements.

Candidate Questions

39. Q. When may a candidate begin to solicit and raise funds for an election?
- A. Upon filing a Candidate Intention Statement (Form 501), a candidate may begin to solicit and receive contributions. The Form 501 is considered filed when it is personally delivered or placed in the mail to the filing officer.
40. Q. Is a candidate required to file a Form 501 when running for reelection to the same office?
- A. Yes. A separate Form 501 is required for each election, including reelection to the same office.
41. Q. If a candidate does not intend to raise any funds from others and will be spending personal funds only for the filing fee and ballot statement fee, is the candidate required to file a Form 501 and open a campaign bank account?
- A. No, the candidate is not required to file a Form 501 or open a bank account; however, a Form 470 is still required.
42. Q. If a candidate does not intend to raise funds from others, but will be spending \$1,000 or more of his or her personal funds on his or her campaign (in addition to the filing fees and ballot statement fees), is the candidate required to open a bank account?
- A. Yes. Even if a candidate does not raise funds from others, if he or she spends \$1,000 or more on the campaign (not counting personal funds spent on filing fees and ballot statement fees), he or she qualifies as a committee and must open a campaign bank account. Campaign funds may not be commingled with personal funds.
43. Q. What are the rules related to a candidate spending personal funds on his or her own campaign?
- A. Except for payments for the filing fee and ballot statement fee, a candidate must deposit personal funds into the campaign bank account before making campaign expenditures, even if he or she does not want to be reimbursed. Personal funds may be reported as loans or monetary contributions. Personal funds may not be commingled with campaign funds and campaign expenditures may not be made from a personal account.
44. Q. May a campaign worker use personal funds to make campaign expenditures and be reimbursed by the committee?
- A. Yes. Anyone other than the candidate may use personal funds to make campaign expenditures, such as purchasing printing, and be reimbursed after providing a receipt or invoice to the campaign. However, if the campaign does not reimburse the individual who made the expenditure within 45 days, the committee must report the amount expended as a nonmonetary contribution received.
45. Q. What are the contribution limits for local elections?
- A. The Act does not impose contribution limits on local elections. However, many local jurisdictions have adopted campaign finance ordinances that include contribution limits. Contact the city clerk or county registrar of voters to determine if there are local contribution limits. The FPCC's website also has links to local campaign ordinances.

46. Q. If a candidate occasionally uses his or her personal car to attend campaign events and meet with voters, is the use of the vehicle reportable even if the candidate does not want to be reimbursed for the mileage?
- A. Incidental use of a candidate's personal vehicle for campaign purposes is not considered a contribution or expenditure and is not reportable. However, if the use of the vehicle is directly related to a political, legislative or governmental purpose, and the candidate would like to be reimbursed by the committee, the reimbursement must be made at the rate approved by the Internal Revenue Service pursuant to Section 162 of the Internal Revenue Code.
47. Q. If a candidate makes long-distance calls using his or her home phone to request support from organizations statewide, may committee funds be used to pay the phone bill?
- A. Committee funds may be used for the campaign portion of the bill; however, the non-campaign portion must be paid with personal funds.
48. Q. If a candidate is defeated in a local election, may the leftover funds be used to run again in the next local election?
- A. Yes, if specified requirements are met. An unsuccessful candidate who plans to run for the *same office* in a future election must file a new Form 501 and an amended Form 410 **before** the end of the post-election reporting period – June 30 for elections held between January 1 and June 30, and December 31 for elections held between July 1 and December 31.
- An unsuccessful candidate who plans to run for a *different office* must file a new Form 501, a new Form 410, and open a new campaign bank account and transfer the funds **before** the end of the post-election reporting period – June 30 for elections held between January 1 and June 30, and December 31 for elections held between July 1 and December 31.
49. Q. May a law enforcement officer, who is running for city council, wear his or her uniform at campaign events or when appearing in political advertisements for his or her campaign?
- A. The Political Reform Act does not contain restrictions related to a candidate wearing a law enforcement uniform; however, other laws may apply. The candidate should contact the District Attorney or City Attorney.
50. Q. What are the special reporting requirements for expenditures made by a candidate controlled committee when purchasing gifts, travel, and meals?
- A. Itemized expenditures made by a candidate controlled committee for gifts, meals, or travel, must be further explained in the "Description of Payment" column, whether or not an expenditure code is used, as described below.

Gifts: Briefly describe the political, legislative, or governmental purpose of the expenditure, and provide the date of the gift and a description of the gift. If the gift was made to an individual recipient, the name of the recipient must be included. If a gift was made to a group of recipients, the name of each recipient who received a benefit of \$50 or more is required. When the recipient of a gift with a value of \$50 or more is not known at the time the payment

is required to be reported, the committee must report that the gift was for an “undetermined recipient.” Once the gift has been given to the recipient, the campaign statement must be amended within 45 calendar days to disclose the name of the recipient.

Meals: Briefly describe the political, legislative, or governmental purpose of the expenditure, and provide the date of the meal, the number of individuals who were present at the meal, and whether the candidate, a member of his or her household, or an individual with authority to approve expenditures of campaign funds was present at the meal. It is not necessary to include the names of individual attendees on the report. However, the names of the attendees must be maintained in the committee’s records. For meals reported as an itemized expenditure for travel, the reporting rules below apply.

Travel Payments (including lodging and meals): Briefly describe the political, legislative, or governmental purpose of the expenditure, and provide the date or dates of the travel, the destination, and the goods or services purchased. The description must also include the number of individuals for whom the payment was made and whether the trip included the candidate, a member of his or her household, or an individual with the authority to approve expenditures of campaign funds. The names of individuals who traveled are not required to be disclosed on the report. However, the names of the travelers must be maintained in the committee’s records.